



Advertising Experti

280 North Central Ave. / Suite 310 / Hartsdale, New York 10530 (914) 948-8144 • Fax (914) 948-1332

*will they
pay it
any
more
page
200*

TO: Karen Marryshow

VIA FAX

FROM: Garrison Jackson *WJ*

DATE: November 1, 1994

RE: Delinquent Payments to Experti

To follow-up on our telephone conversation of this afternoon, I am forwarding the attached for your reference and response. As you can see, the attached represents \$29,622.13 in less 2% discount withholdings that are applicable to the Benson & Hedges (\$17,640.71) and Virginia Slims (11,981.42) brands. For all placements we process for PM USA we are compensated through a 2.75% commission, less the 2% discount for paying outlets within ten days. That means for every one million dollars we place for PM we make \$27,033. When payments are held up by PM it requires us to engage financial resources to cover the payables we have placed on PM's behalf. As you can understand, these resources cost this agency, and in some cases the principles, money in lost interest or fees on loans.

By no means am I placing blame for these delinquent payments on you. Your constant contact with Nafara in our accounting department has kept the brand estimates accurate and up to date with reference to billing. For this particular reason, I am frustrated by the extreme lengths of time it takes for this agency to be reimbursed by PM.

It was with the aid of your department that our contract with PM in paragraph 2(d) includes the passage "...during the term of the Agreement (Contractor) shall be entitled to expedited payment..." For the 36 invoices in question, the average term to payment was 50 days past due. Nineteen of these invoices remain unpaid as of date of this memo.

As mentioned, PM Accounting has determined this to be an issue for each individual estimate manager. While I don't believe, in this instance, that the fault lies here, PM Accounting has no money of their own to rectify this situation, and brand group does.

Please indicate whether adjustments to the estimates should be made to incorporate the amount in question or if an invoice outside of the estimate stream is the preferred method for this corrective transaction.

W.GJ:gw

Atch.1

cc: WGJ, ND, CVJ

2060303134